

DRAFT

22 March 1985

Mr. Henry Bardach
Director, Office of Systematic Review
Classification/Declassification Center
Bureau of Administration
Department of State
Room 1239, New State Building
Washington, D.C. 20520


Dear Mr. Bardach:

We have completed our review of the manuscripts for FRUS, 1958-60., Volume XIII, Malaysia/Singapore and Philippines; and FRUS, 1952-54, Volume XII, Part II, Philippines.

The attached ANNEX A details the deletions that CIA requires in order to declassify Volume XIII. ANNEX B performs the same function for Volume XII, Part II. The passages or pages to be deleted are bracketed in red pencil in the manuscript as well as identified in the annexes.

This letter provides CIA clearance for these two volumes, contingent on your assurance that there is no further material intended for publication in them that is of interest to CIA and not yet reviewed by us.

Sincerely,


Chief, Classification Review Division
Office of Information Services
Directorate of Administration

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Enclosures:

1. Manuscript of FRUS, 1958-60, Volume XIII, Malaysia/Singapore, Philippines.
2. Manuscript of FRUS, 1952-54 Volume Xii, Part II, Philippines.
3. ANNEX A
4. ANNEX B

NSC review completed

State Dept. review completed

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on Thursday, November 5, 1959

FRIS, M-S, 1958-60,
Volume III

NSC
CIA

Top Secret Eyes Only

Present at the 423rd NSC Meeting were the President of the United States, presiding; the Secretary of State; the Secretary of Defense; and the Director, Office of Civil and Defense Mobilization. Also present and participating in the Council actions below were the Acting Secretary of the Treasury (Scribner); the Acting Attorney General (Walsh) (Item 1); the Director, Bureau of the Budget; the Chairman Atomic Energy Commission (Item 4); and Mr. Philip Ray for the Secretary of Commerce (Item 1). Also attending the meeting were the Director, U.S. Information Agency; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Under Secretary of State (Dillon); Special Assistants to the President for Foreign Economic Policy, for National Security Affairs, and for Science and Technology; the White House Staff Secretary; Assistant Secretary of Defense John N. Irwin II; from the Atomic Energy Commission Brig. General Alfred D. Starbird, Edward J. Block and Bruce Mercer; Howard Furnas, Department of State; the Assistant White House Staff Secretary; the Executive Secretary, NSC; the Deputy Executive Secretary, NSC; and Mr. Charles Haskins, NSC.

There follows a summary of the discussion and the main points taken.

1. U.S. POLICY IN MAINLAND SOUTHEAST ASIA

(NSC 5809; OCB Report on NSC 5809, dated August 12, 1959; NSC Action No. 2127; Memos for NSC from Executive Secretary, same subject, dated October 12 and 19, 1959; NIE 69-59)

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✓1 Drafted by Marion W. Boggs, Deputy Executive Secretary of the NSC, on Nov. 5, 1959. Page 2

✓2 For the Malaya and Singapore sections of NSC 5809 see the portions of the National Security Council Report dated Apr. 2, 1958, on p. .

✓2 In Action No. 2127 at the 418th meeting of the National Security Council on Sept. 10, 1959 (approved by the President on Sept. 14), the NSC discussed the Operations Coordinating Board Report of Aug. 12, 1959 and directed the NSC Planning Board to review U.S. policy on Singapore as defined in NSC 5809.

✓4 In a memorandum for the NSC dated Oct. 12, 1959, Executive Secretary Lay transmitted a draft revision of NSC 5809 paragraphs 66-69 on Singapore together with a statement on "Financial Implications" and a "Background Paper on Singapore." (S/S NSC Files, Lot 63 D 351, NSC 5809 Series) The memorandum of Oct. 19 was not found either in Department of State files or in the Eisenhower Library, Whitman File, NSC Records.

✓ Gordon Gray, Special Assistant to the President for National Security Affairs.

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(Sittman file)

Page 3

period would be gradual rather than dramatic. He estimated that the U.K. would protect its basic interests in Singapore and in the event of an external threat would take whatever action was required and would run whatever risks were necessary in order to retain possession of the naval base. Moreover, he thought the U.K. would continue to have the capability to retain its bases in the area.

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Page 6

12/ Paragraph 68 provided that in the event that "Communists or extreme leftists" came to power in Singapore "by legal or violent means" the ^{United} ~~U.S.~~ ^{Kingdom,} ~~States~~ should "consult" with the ~~U.S.~~ ^{United States} Malaya and "other interested parties, and as necessary support counteraction, being prepared, as necessary, to take independent action along the lines of paragraph 20." Paragraph 69 stated that if "overt Communist aggression" should occur against Singapore, the U.S. should "place initial reliance on the resources" of Singapore, the ^{United Kingdom,} ~~U.S.~~ and Malaya but should "be prepared to take action, if necessary, in accordance with paragraph 19." Paragraph 69B called on the ^{United States} ~~U.S.~~ to encourage Singapore "to solve its political and economic problems in ways consistent with U.S. objectives" and to rely on the ^{United Kingdom} ~~U.S.~~ for "external financial support to Singapore." In addition, in conjunction with the ^{(United Kingdom) (United States)} ~~U.S.~~ the ~~U.S.~~ should help to utilize "Free World international financial institutions" to promote "economic development and economic reforms in Singapore." Finally, the ^{United States} ~~U.S.~~ should be prepared to grant technical and economic aid if such assistance would be particularly helpful in realizing the ends of U.S. policy. Paragraph 19 is summarized in footnote 8 to the extract from NSC 5809 dated Apr. 2, 1958 on p. [REDACTED]

13/ President of the French Republic.

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Page 7

F Approved For Release 2007/09/08 : CIA-RDP93B01194R000800050007-2

not be prepared to give assistance to Singapore independently of the British, but should rely on the U.K. to provide assistance. Other members of the Planning Board, particularly the State Member, felt that the approach reflected in the draft paper was the correct one. The President said that if we assume unilateral and primary responsibility to stabilize the situation in Singapore, then we would have to take similar action in all parts of the world. Singapore was really part of the British Commonwealth and we were perhaps being too generous in our provisions for giving aid to the area. Secretary Herter remarked that the provisions in Paragraph 69B were intended only as a safeguard. The President said that if a situation arises in which the U.K. will not or cannot take action, the U. K. would then be futile in the area.

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To the best of the President's recollection, we did not intend to take in Hong Kong actions similar to those contemplated for Singapore. However, the President added, he would not disapprove the draft paper if it were noted that we should not be too eager to volunteer to go into Singapore by ourselves.

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Mr. Dulles then read a summary of the defense, foreign affairs and internal security powers of the U.K. in Singapore as described in Paragraph 1 of the "Background Paper on Singapore" attached to the draft policy paragraphs. The President said it was evident that the U.K. retained a strong position in Singapore.

The National Security Council:

- a. Discussed the draft statement of U.S. policy on Singapore, prepared by the NSC Planning Board pursuant to NSC Action No. 2127-b as a revision of paragraphs 66-69 of NSC 5809, and the draft Annex to NSC 5809 (transmitted by the reference memoranda of October 12, 1959); in the light of the views of the Joint Chiefs of Staff thereon (transmitted by the reference memoranda of October 19, 1959) and of NIE 69-59 ("Singapore--Problems and Prospects") as summarized orally at the meeting by the Director of Central Intelligence.
- b. Agreed that the draft Annex to the Singapore section of NSC 5809 (transmitted by the Limited Distribution memorandum of October 12, 1959) should not be adopted.
- c. Adopted the revised paragraphs 66, 67, 68, 69, 69A, 69B and 69C of NSC 5809.
- d. Noted the President's statement that the United States should not be eager to take independent action with respect to Singapore, as contemplated in the revised paragraphs 67, 68, 69 and 69B of NSC 5809, in view of the continuing British responsibility in this area.

Paragraph 66 set the long range objective of encouraging "a politically stable, economically viable Singapore, willing to cooperate with the United States and capable of resisting internal and external Communist threats."

Paragraph 69A cautioned that the ^{United States} ~~U.S.~~ should not encourage "a Singapore-Malaya merger unless and until" such an outcome would further the goals of paragraphs 66 and 67. Meanwhile, the U.S. should use Singapore's desire for such a merger "to counteract the extreme left's pull on the government."

Paragraph 69C was a reminder that the ^{United States} ~~U.S.~~ should keep in mind the continuing ^{of the United Kingdom} ~~British~~ responsibility for Singapore's defense and foreign affairs; the ^{British} ~~U.S.~~ role in internal security, as well as the ^{British} ~~U.S.~~ knowledge and experiences in governing Singapore in order to avoid a course likely to

NOTE: The action in b above, as approved by the President, subsequently transmitted to all holders of the Limited Distribution memorandum of October 12, 1959, with the request that each copy be returned for destruction.

The actions in c and d above, as approved by the President, subsequently transmitted to all holders of NSC 5809.

[Here follows a section on "Significant World Developments Affecting U.S. Security"]

17/ A memorandum from Lay to the NSC on Nov. 10, 1959 reported that on that date the President had approved the adopted revisions of paragraphs 66-69 of NSC 5809 including the reservation expressed above. (S/S NSC Files, Lot 63 D 351, NSC 5809 Series)

15/ A memorandum from Mein to Parsons on Dec. 31, 1959 entitled "Current Situation in Singapore" (drafted by Tangay, cleared by Arthur B. Emmons III, Deputy Director of SPA) concluded: "We share the British ~~xxx~~ view, by and large, that the new Singapore Government ~~has~~ so far turned out better than expected." To illustrate this conclusion, Mein pointed to the government's active response to "the threat posed by certain of the ex-detainees and other extreme leftists" including "the political sterilization of an extreme leftist cabinet minister, Ong Eng Guan" who had been "deprived of virtually all of his powers." Mein also was heartened by the government's program to reorient Singapore's Chinese away from an attachment to mainland China toward "Malayan consciousness and an allegiance to the State of Singapore." The memorandum also referred to official steps to reassure local business interests, to lure foreign investors and to reduce government spending in order to maintain a balanced budget. On the other hand, to date this economic record did not include a "large-scale program" to deal with an "increasingly serious unemployment and underemployment problem." A left-wing effort to "overturn the government" in 1960 was held unlikely but not impossible. Finally, Mein expressed concern over the government's "relaxation" of travel restrictions to Communist China which might affect the "Malayan consciousness" campaign and the anti-subversion program. (SPA Files, Lot 63 D 343, "Political Affairs-General")

CONFIDENTIAL "Master Set"
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As Department understands, Garcia-Recto axis determined place Magsaysay, by public pronouncement foreign policy without Magsaysay's imprimatur, in position which US must deny or repudiate. Garcia-Recto combination obsessed, for cosmetic-political reasons, with desire to capitalize upon Philippine Nationalist sensibilities, which evidenced in bases issue, Clark Field press incident, Bowers' case, and other matters [which?] have been deliberately inflamed.

SPRUANCE

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Memorandum by W. Park Armstrong, Special Assistant for Intelligence, to the Secretary of State

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[WASHINGTON,] March 24, 1954.

Subject: NIE 66-54: Probable Developments in the Philippine Republic¹

¹ Not printed.

This estimate was undertaken by the Intelligence Advisory Committee, at the request of the National Security Council, in order to appraise the prospects of the new Magsaysay administration in the Philippines.

The most pressing domestic task confronting the Magsaysay administration is to increase agricultural productivity and to proceed with agrarian reform. Significant progress in this program is likely despite opposition from powerful elements.

Magsaysay has also set ambitious goals for his administration in the achievement of economic stability and growth. He is likely to make some progress toward achieving these goals by employing incentives to induce productive private investment, and he may resort to deficit financing. He will, however, continue to look to the US for financial assistance for economic development.

In dealing with the US, the administration will be confronted with the problem of reconciling the Philippine desire for special US treatment, particularly in the field of trade and national defense, with the strong Philippine desire for full national independence and freedom.

The Philippine Republic will probably seek to improve relations with Japan and to expand Philippine-Japanese trade.

It is not likely that within the next few years the Philippine Republic will of its own volition attempt to assume a position of leadership among Southeast Asian nations or take a dominant role in any Far Eastern regional security arrangements. However, the Philippines can contribute to bringing about closer economic and cultural cooperation among these countries.

A similar memorandum is being addressed to the Under Secretary.²

² Not printed.

W. PARK ARMSTRONG, JR.

711.56396/3-2554

Memorandum by the Officer in Charge of Philippine Affairs (Bell) to the Director of the Office of Philippine and Southeast Asian Affairs (Bonsal)

[WASHINGTON,] March 25, 1954.

Subject: Philippine Reaction to Attorney General's Opinion and Forthcoming Bases Negotiations.¹

¹ The opinion by Attorney-General Brownell (not printed; copy contained in file 711.56396/3-2853) was released on Mar. 15, 1954.

CONFIDENTIAL

INR-NIE files *a*National Intelligence Estimate *3*

SECRET

Washington, January 14, 1958

NIE-64-58

THE FEDERATION OF MALAYA *4*

THE PROBLEM

To estimate the prospects for the political stability, economic viability, and internal security of the Federation of Malaya, and its probable international orientation over the next few years, and to estimate probable trends in Federation-Singapore relations.

SUMMARY AND CONCLUSIONS

1. The Federation of Malaya, unlike most other former colonial states in Southeast Asia, began independence with little ill-feeling for its former ruler and with a generally capable government. The leaders of the new nation are faced, however, with the task of welding the indigenous Malays and the alien and unassimilated Chinese and Indians into a unified national community. Meanwhile, antagonism and rivalries between the Malay and Chinese groups, almost equal in size, will be increasingly difficult to hold in check.

2. Despite growing difficulties, the Alliance parties will probably continue their coalition through the national elections, now scheduled for August 1959. Under the guidance of Prime Minister Rahman, the Alliance will probably be returned to

office but with a considerably reduced majority. Over the longer run, increasing communal tensions are likely to lead to the disintegration of the present racial coalition and to political turmoil.

3. The Federation will probably continue its policy of curtailing its ties with Singapore, despite certain consequent economic sacrifices, and there is little prospect for a Federation-Singapore merger in the foreseeable future.

4. Barring a major break in the international rubber and tin markets upon which the Federation's economic well-being depends, the outlook is for general economic stability and for some progress under the government's financial reform and economic development programs. However, the high rate of population growth and popular expectations of higher living standards under an independent government will place heavy demands on the economy and aggravate any economic setback.

~~The Alliance parties will probably continue their coalition through the national elections, now scheduled for August 1959. Under the guidance of Prime Minister Rahman, the Alliance will probably be returned to~~

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Files of National Intelligence Estimates, Special Estimates, and Special National Intelligence Estimates, retained by the Directorate for Regional Research, Bureau of Intelligence and Research.

³ National Intelligence Estimates (NIEs) were high-level interdepartmental reports presenting [] appraisals of vital foreign policy problems. NIEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by inter-departmental working groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the National Security Council. []

¹¹ According to a note on the cover sheet, The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the joint staff participated in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 14 January with the exception of the Atomic Energy Commission Representative and the Assistant Director of the Federal Bureau of Investigation who abstained on the ground^s that the subject was outside their jurisdiction.

^{*} The Alliance is a coalition of the three main racial parties, the United Malay National Organization, the Malayan Chinese Association, and the Malayan Indian Congress. []

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⁵ Tunku Abdul Rahman, also President of the United Malay National Organization.

5. The Communist guerrillas are no longer a serious military threat to internal security. Although we do not believe the government will accept terms which would permit the Communists to operate as a legal party, some basis may be found to negotiate an end to the Communist armed resistance before the 1959 elections. The Malayan Communist Party will probably continue to shift emphasis away from armed insurrection and toward building a united front, and will probably be able to capitalize on Malay-Chinese tensions and to operate with increasing effectiveness among youth groups and organized labor.

6. The Federation's still evolving foreign policy is at present oriented toward the Free World. It is a member of the British Commonwealth and the sterling area and retains close economic and securities with the UK. This orientation will probably continue over the next few years, but the presently discernible neutralist trend will probably increase. It is unlikely that the Federation will join SEATO or recognize either Communist China or Nationalist China. However, an end to the Communist armed insurrection would probably increase domestic pressures for neutralism and for a closer relationship with Communist China.

(Here follows the ^{remainder of the} text as well as "Annex A: The Political Situation," "Annex B: The Security Situation," and "Annex C: The Economic Situation.")

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ANNEX D

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THE SITUATION IN SINGAPORE

1. Internal security and general political stability in Singapore have improved under Chief Minister Lim Yew Hock. Lim, who succeeded the impetuous David Marshall in 1956, has taken an increasingly strong anti-Communist position, making liberal use of his powers and the full backing of the British authorities to arrest Communist and pro-Communist leaders of the People's Action Party and Communist activists in the Chinese middle schools and the trade unions. Although the Communist movement has been kept off balance by the government's aggressive anti-Communist program, the basic factors contributing to Communist strength remain. Communist influence, especially in the Chinese schools and the labor movement, is still strong; political problems susceptible to Communist exploitation persist; and economic problems are increasing.

2. Singapore's rapidly increasing population of 1,495,000 is about 77 percent Chinese. Sixty percent of these Chinese are under 21 years of age and many are susceptible to Chinese Communist propaganda and pressures. Most Singapore Chinese are impressed by the rise of Communist China and continue their emotional attachment to the mainland. The younger Chinese tend to feel their opportunities for higher education and for economic advancement in Singapore are limited. These feelings are intensified by the fact that Singapore's entrepôt trade is declining and by Singapore's uncertain economic outlook, resulting in part from Federation independence and the lessening of economic ties between the two areas.

3. Singapore has not achieved the degree of internal political stability of the Federation. The British had originally hoped that both parts of the peninsula would progress toward

self-government and independence together, but have had to postpone independence for Singapore for the foreseeable future. In April 1957, however, a Singapore government delegation headed by Chief Minister Lim Yew Hock signed an agreement with the UK which provides for the establishment of internal self-government during the latter part of 1958. Under this arrangement, the British will remain responsible for external defense and foreign relations, and the Singapore government will exercise internal self-government except for security matters. Responsibility for internal security was assigned to an Internal Security Council of three members from Singapore, three from the UK, and one from the Federation. The Federation authorities agreed to this arrangement with considerable reluctance because of their desire to avoid any entanglement in Singapore's security problems. The British retained the right to withdraw the Singapore constitution if the internal situation should deteriorate sufficiently to threaten the ability of the council to carry out its obligations.

4. The Singapore government, led by the moderate socialist Labor Front since 1955, has 25 elective and seven appointive seats in the Legislative Assembly. Six of its nine cabinet posts are appointed on the recommendation of the majority leader of the Assembly. Singapore remains a Crown Colony with ultimate authority in the hands of a British-appointed governor. He has a veto power over legislation and the right to appoint the ministers who hold the cabinet posts for defense and internal security, finance, and justice.

5. During the past year, the People's Action Party, the major opposition, fell under increased pro-Communist control. Although

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Lim has managed to create some confusion in the party's ranks by political manipulation and by his arrest of 30 of its top leftist leaders, the People's Action Party still remains the strongest and best organized political organization in Singapore. In November 1957, ex-Chief Minister David Marshall inaugurated an opposition Worker's Party. The party pledges parliamentary democracy, socialism, and independence for Singapore, and it has adopted an "anti-colonial" line. In his organization campaign, Marshall, who visited Communist China shortly after his ouster as Chief Minister, made special efforts to attract Chinese support and attacked the government's security program.

6. Lim Yew Hock's anti-Communist leadership has provided an opportunity to salvage the deteriorating political situation in Singapore. However, Lim has not succeeded in building a strong, non-Communist political organization, and his government rests on a weak coalition which maintains power only because of the seven appointed members of the Legislative Council. The weak foundation of his government and the widespread Communist activity among Singapore's Chinese, especially in the schools and labor unions, emphasize the difference between the political situation in Singapore and in the Federation.

7. In local elections held on 21 December 1957, the People's Action Party won a plurality of Singapore's 32-seat City Council. The party carried 13 out of 14 districts which it contested. Lim Yew Hock's Labor Front won only four out of 16 seats sought. Although the two parties did not run candidates in direct competition, the outcome represented a severe loss of prestige for the Labor Front. Further evidence of a leftward trend was disclosed by the success of former Chief Minister David Marshall's new Worker's Party in winning four out of five seats it contested, whereas the conservative Liberal Socialists gained only seven out of 32 seats. The election results pointed up the failure of Lim Yew Hock's efforts to consolidate non-Communist political forces or to isolate left-wing forces.

8. The chances appear somewhat less than even that Lim Yew Hock will be able to

maintain his anti-Communist government in power after the 1958 general elections. If the economic situation deteriorates to any significant extent, a left-wing government dominated by the People's Action Party will probably come into power. Over the long run, the prospects are that leftist and Communist strength will increase.

9. Available for the preservation of internal security in Singapore, in addition to the UK units, are approximately 4,500 police, including reserves, and the Special Constabulary of 1,300 active and 1,100 volunteer reserve members. The Malays outnumber the Chinese about four to one in the police, but the Chinese predominate in the higher ranks. The problem of replacing top British officers is difficult because indigenous officers are not experienced. Singapore's government in March 1957 began to recruit a volunteer battalion of 800 men with the intent of enlisting about 75 percent Chinese. The local internal security forces probably could not maintain law and order in the event of large-scale riots or demonstrations in Singapore without the assistance of the regular British troop units stationed in Singapore.

10. Singapore continues to be the main British military base in the Far East, with important functions in British Commonwealth and regional defense. In addition, it is still an important commercial center. For these reasons, and because of the basic political instability of the colony, the British are unlikely to consider independence for Singapore in the near future. Furthermore, the British, who we believe have adequate forces in the area to maintain internal security, will probably suspend the Singapore constitution and assume direct rule in the event of either a threatened loss of control of the situation by the elected government or a Communist take-over.

11. Merger of Singapore with the Federation is the ultimate goal of Singapore authorities and of many British officials. These latter feel that merger might reduce the threat to British strategic interests posed by political instability and Communist subversion in

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See Annex B, paragraph 14, for the strength of these units. [Footnote in source text, Annex B is not printed here.] Annex B, paragraph 14 described these units as approximately 25,000 ground forces, approximately 7,500 air force personnel, and approximately 3,750 naval personnel.

Singapore. Lim Yew Hock and other Singapore leaders are aware of the emerging economic and political problems which result from the dwindling economic ties with the Federation. Commercial shipping and banking in Singapore generally favor merger in order to perpetuate Singapore's present position as the principal entrepôt for the Malay peninsula.

12. The Communists believe that merger would increase their ability to subvert the Federation. For this same reason, the Federation opposes merger. To Rahman and the Alliance government, Singapore is a hotbed of Communism which must be isolated from the Federation. Furthermore, the Federation's leadership know that merger would give the Chinese a numerical majority.

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INR-NIE Files

Special National Intelligence Estimate

(Extract)

Secret

Washington, May 27, 1958.

SNIE 66-58/

OUTLOOK FOR THE PHILIPPINE REPUBLIC

THE PROBLEM

To estimate the outlook for the Philippines over the next year, with particular reference to the character of the Garcia administration and the major trends in US-Philippine relations.

CONCLUSIONS

1. Government in the Philippines is in process of reverting to the levels of corruption, opportunism, and irresponsibility that characterized the pre-Magsaysay period. A drastic decline in foreign exchange reserves and inflation have become major economic problems, largely as a result of governmental indecision and toleration of illegal practices to curry the political favor of special interest groups. Moreover, President Garcia has failed to demonstrate a capacity for principled and vigorous leadership. (Paras. 6, 7, 11)

2. It is within the power of the Philippine government to go a long way toward rectifying the economic situation. However, thus far Garcia has shown little willingness or ability to exercise the determined leadership necessary to carry out an effective program for the solution of the country's economic problems. He probably believes that he can avoid politically difficult courses of action by appealing to the US for large-scale financial aid. (Paras. 12-14)

3. We believe that the military will remain relatively free of political manipulation and corruption and that it will continue as an important force for national stability over the next year at least. By 1960 armed force capabilities will be substantially increased as a result primarily of current programs to reorganize the army and modernize the airforce. However, the armed forces are dependent upon continued US aid and assistance. (Paras. 15-17)

4. There is a genuine and growing nationalist sentiment in the Philippines, which is thus far not generally identified with anti-Americanism. However, a small but important group has attempted to exploit resentment of Philippine political and economic dependence upon the US by emotional and chauvinistic appeals. The extent to which Philippine nationalism takes on an increasing anti-American coloration depends largely upon successful settlement of out-

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standing issues between the two countries. We believe that in any event, within the framework of the overall alliance with the US and a generally pro-American attitude there will be increased pressure for a more independent foreign policy. (Paras. 19-20)

5. However, we believe it unlikely that the Philippines will take action which will jeopardize US military base rights over the next year or so. The Philippines will continue in the foreseeable future its present active participation in SEATO. (Paras. 21, 23)

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✓ This document was prepared by the Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff. It was distributed by the Director of the Central Intelligence to appropriate officers at the White House, National Security Council, Department of State, Department of Defense, Operations Coordinating Board, Atomic Energy Commission and Federal Bureau of Investigation.

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Eisenhower Library, Whitman File, NSC Records

Memorandum of Discussion at the 368 Meeting of the National Security Council
on Tuesday, June 3, 1958

~~[Excerpts]~~ [Extracts]

TOP SECRET EYES ONLY

Present at the 368th NSC Meeting were the President of the United States, presiding; Christian A. Herter for the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Acting Director, Bureau of the Budget; Walter Williams for the Secretary of Commerce (Item 2); the Special Assistant to the President for Atomic Energy; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; The Assistant to the President; the Deputy Assistant to the President; the Director, U. S. Information Agency; the Director, International Cooperation Administration; the Special Assistants to the President for National Security Affairs, for Foreign Economic Policy, and for Security Operations Coordination; the White House Staff Secretary; the Deputy Secretary of Defense; Assistant Secretary of State Smith; the Naval Aide to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. SECURITY
(SMIE 65-58)

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1/ Drafted by S. Everett Gleason, Deputy Executive Secretary of the NSC, on the same day.

2/ Dated May 27, p.

3/ Allen Dulles, Director of Central Intelligence.

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S/S-NSC Files, Lot 63 D 351, NSC 5813 Series

National Security Council Report

Secret

Washington, June 4, 1958.

NSC 5813/1

UNITED STATES POLICY TOWARD THE PHILIPPINES **OK**

Note by the Executive Secretary to
the National Security Council

- References:
- A. NSC 5413/1
 - B. L-OCB Report on NSC 5413/1, dated April 2, 1958
 - C. NSC Action No. 1902
 - D. NSC 5813
 - E. SNIE 66-68
 - F. Memo for NSC from Executive Secretary, same subject, dated June 2, 1958
 - G. NSC Action No. 1922

The National Security Council, the Secretary of the Treasury, Mr. Walter Williams for the Secretary of Commerce, and the Director, Bureau of the Budget, at the 368th Council meeting on June 3, 1958, adopted the draft statement of policy on the subject contained in NSC 5813, subject to the amendments set forth in NSC Action No. 1922-b.

The President has this date approved the statement of policy in NSC 5813, as amended and adopted by the Council and enclosed herewith as NSC 5813/1; directs its implementation by all appropriate Executive departments and agencies of the U. S. Government; and designates the Operations Coordinating Board as the coordinating agency.

The Financial Appendix, an Economic Aid Annex (Annex A), and a Military Annex (Annex B) are also enclosed for the information of the Council.

The enclosed statement of policy, as adopted and approved, supersedes NSC 5413/1.

JAMES S. LAY, JR.
Executive Secretary

7. Supra, notes.

These are not printed.

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declared secret 7/4

(3)

746F.00/4-2259

Telegram from the Consul General in Singapore (Peterson) to the Department of State

Secret Limit Distribution

1642.

DEPARTMENT OF STATE

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Singapore, April 25, 1959--11 a.m.

DEPTEL 1645, April 10, 9002 to London.

Hour's discussion with Governor April 24 revealed slight divergence US and UK views on first two points reference telegram. Governor thinks anyone predicting outcome of elections (point 1) is dealing with unknown factors, attitudes and uncharted political currents. In addition to Lim's chance of winning or maintaining effective opposition, Governor sees possibility that PAP may not get majority itself (although present indications point that direction) thus presenting third possibility, namely, Lim winning enough seats to provide him basis for negotiating and giving moderates voice in coalition. Governor says PAP has written off Lim and SPA and if Lim could surprise them by winning 10 to 15 seats, he could regain stature both with PAP lacking full majority and with independents. In these circumstances Lim would be in his element in negotiating coalition front bench.

746F.00/4-2259

CLASSIFIED FILE

Main divergence on point 2 is difference in US and UK assessment of Lee's courage and, therefore, his reliability under pressure. Governor says he still retains doubts as to Lee's courage but nothing like those he held year ago. Thinks Lee's forthright cleanup of leftist PAP branches and his forcing through policy decision that City Council unimportant to PAP are evidence of his willingness to face up to unpalatable issues; e.g., curtailment of bureaucracy, spots for

Repeated to London and CINCPAC.

In tel. 1645 to Singapore, ~~on~~ Apr. 10, 1959, the Department disclosed that the British Embassy had ~~indicated the U.K.'s~~ ^{expressed the British} belief that bilateral discussions on Singapore should be transferred to Singapore due to the brief time remaining before the May 30 elections and that the appropriate officials were ready to resume talks at that location. Peterson was authorized to enter into such negotiations with the goal of finding out if the U.S.-U.K. differences on the following points could be reconciled: (1) the outlook for Lim either to win or to survive politically; (2) the immediate and long range "reliability" and "performance" of the PAP; (3) the wisdom of ^{British} ~~the~~ support for individual candidates of competing parties. Peterson was told to express U.S. recognition of ^{British} ~~the~~ primacy but to emphasize "our deep concern over the deteriorating situation and our desire to be of constructive assistance wherever possible." (746F.00/4-1059)

SPA Files, Lot 63 D 343, "Relations with the U.S."

Letter from the Director of the Office of Southeast Asian Affairs (Anderson)
to the Consul General at Singapore (Petersen)

Confidential Official-Inferral

Washington, July 24, 1959

Dear Peter:

We have read with interest and some concern the report in London's *unclassified* telegram 393 of July 23, which was repeated to you as 1, of a *London Times* article detailing Singapore and summarizing various actions and statements antagonistic to the United States which have been made by the PAP Government since it assumed office. We have not been altogether unprepared for a certain amount of "plucking of the eagle's feathers", not only in the light of the basically anti-Western attitude of the PAP but also because it can be alternated with equal doses of "twisting the lion's tail" and doubtless cost less than the latter. Moreover, the series of incidents which have taken place since July 1 suggest that the ratio of feathers to be plucked per month will be somewhat higher than we had anticipated. Coming after our inclusion in the ranks of potential adversaries in the Government's policy statement at the opening of the legislative assembly and its unfriendly attitude in the "Henric" affair, the latest outburst on the part of A. M. Byrne with respect to the brainwashing impact of USIS "propaganda", which we believe you handled with commendable firmness, indicates that we may well be in for something more than a summer of discontent as regards our relations with the PAP Government.

This prompts us to ask *whether*, in the midst of your preparations to leave Singapore, you could find time to set forth in dispatch form your impressions of the overall policies which the Government may be expected to follow in dealing not only with agencies of the United States Government but also with Americans and their activities in general.

I have been at my new desk here less than a week and am already aware of what a busy place it is. We are all looking forward to seeing you here in the fall and meanwhile hope that your last weeks in Singapore and your homeward trip will be pleasant.

With warm regards,

Sincerely,

Denial V. Anderson
Director, Office of
Southeast Asian Affairs

DEPARTMENT OF STATE

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~~1~~ Daniel V. Anderson became Director of the Office of Southeast Asian Affairs on July 12, 1959.

~~2~~ Drafted by Swezey, cleared by SEA.

~~3~~ Tel. 393 from London on July 21, 1959 summarized the "series of incidents" mentioned in the paragraph above. Specifically cited were Minister of Labor and Laws Byrne's comments on the "brainwashing" effect of U.S. propaganda on Singapore's children, the Singapore government's successful objection to the visit of the U.S.S. ~~Henry~~ ^{by the government} ~~and a parliamentary speech equating the~~ ^{(at the opening of the} ~~U.S. with the U.S.S.R. and Communist China as instigators of subversion,~~ ^{Legislative Assembly on July 12} with subversion defined as political activity to further the aims or interests of a foreign power. (611.46F/7-2159)

~~4~~ Peterson became Deputy Assistant Secretary of State for Far Eastern Economic Affairs on Nov. 4, 1959.

~~5~~ Peterson presented his analysis in desp. 59 from Singapore on Aug. 5, 1959, a seven page review of PAP government actions which he thought suggested that "its leaders harbor feelings of hostility not only toward the United States but also toward the West in general." Peterson discussed the incidents mentioned in Anderson's letter of July 24 as well as other examples of what he saw as "discourtesy" and "certain hostility" toward the U.S., U.K. and Australia. In conclusion, the Consul General found an "intemperate and quarrelsome attitude" among ~~some~~ of Lee Kuan Yew's cabinet which implied that they were "basically hostile, at least to some degree, toward the United States." However, despite this negative attitude, Peterson expected the new leaders ~~to~~ ^{to} restrain their basic emotions with a view to possible future United States assistance unless they determined that such aid was unnecessary or insufficient to their needs. At that point, "they might become more obstreperous and openly anti-American" particularly if internal problems made such a stance seem politically appealing as a diversionary tactic. (611.46F/8-559)

~~6~~ On Aug. 12, 1959, the Operations Coordinating Board issued a report on NSC 5809 ("U.S. Policy In Mainland Southeast Asia") which according to a covering letter by Acting Executive Officer Roy M. Melbourne concerned the period from May 28 through Aug. 12, 1959. The section on Malaya recounted recent developments and took satisfaction in the stability of the Alliance government, the success of the continuing campaign against the remaining Communist insurgents, the firmness of Malaya's anti-Communist foreign policy and the ~~friendly~~ relationship between the U.S. and Malaya. In contrast, the OCB report stated that: "The situation in Singapore with respect to

¹ Repeated to Tokyo for information.

² Not found.

³ Aiichiro Fujiyama, Japanese Foreign Minister.

⁴ For previous discussion on the stockpiling of nuclear weapons in the Philippines, see Foreign Relations, 1955-1957, Vol. ~~—~~ XI, pp. .

⁵ Desp. no. 65 from Manila, July 23, not printed. (711.56396/7-2358)

For the missile base controversy, see tel. 5208 from Manila, May 20, and footnote 6 thereto, pp. ~~4~~.

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As you can see, these are rambling thoughts generated by frustration, but I thought you should know our mood in the hope that you can clarify our impressions. I especially need reassurance concerning British attitudes and, in view of the time it takes to crank up the bureaucracy, I would like your ideas on anything you think we should be doing or may have to do in the foreseeable future.

Sincerely,

Eric Kocher
Director, Office of
Southeast Asian Affairs

Chief Minister Lim Yew Hock.

Lee Kuan Yew, Chairman of the Central Executive Committee of the People's Action Party.

Replying to Kocher on Feb. 24, 1958, Peterson doubted that the British would act decisively in a situation of "creeping encroachment" by Communist elements and sensed an "extremely dangerous" British tendency to gamble that once elected Lee Kuan Yew would be able to control the left-wing of the People's Action Party. The Consul General emphasized that preserving a "non-communist infiltrated government" by salvaging Lim Yew Hock's political standing or working for a post election coalition government would require "some hard thinking, hard work, hard cash and hard courage." He recommended as initial steps that the United States persuade Malaya to make any future federation with Singapore contingent on a moderate local government and try to sway Singapore's Chinese population by exposing Chinese Communist subversion. (SPR Files, Lot 63 D 18, "Consulate General-Singapore")

Printed from a carbon copy which bears this typed signature.

746F.00/1-2159

Telegram from the Charge in the United Kingdom (Barbour) to the Department
of State

Secret

London, January 21, 1959 p.m.

3769.

DEPTEL 6436 REPEATED ADDRESSEES.

FOLLOWING ARE EMBASSY'S COMMENTS:

1. WE THINK HIGH LEVEL US-UK CONSULTATIONS ON OUTLOOK SINGAPORE MOST DESIRABLE. STIMULATED THINKING WHICH MAY HAVE EMERGED FROM JUST-CONCLUDED BRITISH CHIEFS OF MISSION UNDER UK COMM GENERAL SOUTHEAST ASIA COULD BE HELPFUL IN THIS REGARD.

2. WE AGREE IMPORTANCE STRESSING "PRIMACY OF BRITISH AND COMMONWEALTH INTEREST AND RESPONSIBILITY" (SECOND PARAGRAPH REFTEL) AND IN THIS CONNECTION SUGGEST TAKING INTO CONSIDERATION THEIR APPROACH TO PROBLEM INTRODUCING CONSTITUTIONAL GOVERNMENT SINGAPORE, WHICH WE BELIEVE INCLUDES FOLLOWING IMPORTANT POINTS:

A) BRITISH ARE QUITE AWARE THAT SHOULD IT PROVE NECESSARY FOR THEM TO SUSPEND CONSTITUTION HIGHLY UNDESIRABLE AND POSSIBLY EVEN UNTENABLE SITUATION WOULD BE CREATED. OUR IMPRESSION THEY WOULD DO THIS ONLY AS LAST RESORT. ALSO OUR IMPRESSION FROM TALKS WITH FOREIGN OFFICE AND COL OFFICE THAT THEY DO NOT ANTICIPATE HAVING TO DO THIS. FIRST, THEY DO NOT BELIEVE THAT PAP VICTORY IN ELECTIONS NOW SCHEDULED END OF MAY WILL RESULT IN ATMOSPHERE IN WHICH BRITISH COOPERATION IN GOVERNMENT OF SINGAPORE UNDER CONSTITUTION CAN NOW CONTINUE. SECOND, THEY ARE NOT CONVINCED THAT PAP

VICTORY INEVITABLE

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~~Walter R. Barbour, Career Minister~~

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Repeated to Singapore, Canberra, Kuala Lumpur and Wellington.

In tel. 6436 to London ^(sent as) ~~and~~ tel. 1226 to Singapore on Jan. 15, 1959, the Department expressed "increasing concern" over the "prospect of a leftist anti-Western victory" in Singapore and stated that it was "currently considering the possibility of a high level approach to the British" regarding useful action in the present situation. While acknowledging the primacy of Britain and the Commonwealth in Singapore and the need for a joint policy, the Department believed that the British might be "conceding too much too soon" in seeming to accept a PAP victory as inevitable instead of doing their best to support Lim Yew Hock. Moreover, Washington perceived London as "overly sanguine" about its ability to work with a PAP government and as mistakenly relying on the ultimate option of suspending the Singapore Constitution even though "such course of action would be fraught with danger if not actually untenable from a practical point of view." The "proposed consultation" would consider the following topics: (1) U.S. and U.K. estimates of the situation; (2) Lim Yew Hock's prospects and whether Lim might win under ^{certain} ~~some~~ circumstances; (3) the membership and present outlook of the People's Action Party; (4) the U.K. attitude toward Lee Kuan Yew; (5) U.K. plans if the People's Action Party were victorious; (6) the chances for a Lim-Lee coalition minus the PAP left-wing; (7) whether Australia, New Zealand and Malaya should be invited to join subsequent discussions on Singapore. The Department requested the Embassy and the Consulate General to comment. (797.00/1-1559)

Peterson responded to the Department's inquiry in tel. 1141 from Singapore on Jan. 21, 1959. The Consul General believed that bilateral talks regarding Singapore would be useful, should begin at once, and should be located in Singapore as soon as possible. In Peterson's opinion, the crucial issue should be "what practical assistance if any can be given Lim Yew Hock." While Peterson judged a PAP victory to be a "good bet," he held that the Chief Minister "should be given all feasible support" at least to ensure his future role as a viable opposition leader.

25X1

~~He endorsed~~ He endorsed the Department's skepticism about British policy and the "reliability" of Lee Kuan Yew. Finally, Peterson saw little likelihood of a Lim-Lee coalition and no immediate need to include other countries in the U.S.-U.K. discussions. (746F.00/1-2159)

Robert Scott, United Kingdom Commissioner General for Southeast Asia,

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~~SECRET~~~~21 JAN 1969, JANUARY 21, 4 PM, FROM LONDON.~~

VICTORY INEVITABLE, (THOUGH THEY THINK PAP MOST LIKELY TO WIN) OR THAT LIM YEW HOCK AND SPA WILL BE WITHOUT INFLUENCE EVEN IN DEFEAT. THEY FEEL THAT PAP LEADERSHIP WILL FEEL SOME NECESSITY BOTH BEFORE AND AFTER ELECTIONS TO APPEAL TO MODERATE ELEMENTS IN SPA (AS WELL AS LEFTIST ELEMENTS IN PAP). MOREOVER THAT PAP IN COMMON WITH OTHER LEADERS SINGAPORE WANT PROMOTE COOPERATION WITH FEDERATION OF MALAYA. THUS FOREIGN OFFICE AND COL OFFICE FEEL THERE ARE COMPELLING REASONS FOR PAP TO TRY TO APPEAL TO MODERATE AS WELL AS LEFT-WING FORCES IN SINGAPORE AND THAT THIS WILL HAVE BALANCING EFFECT WITHIN PAP WHICH WILL PERMIT CONSTITUTION TO WORK WITH PAP LED GOVERNMENT. BRITISH RECOGNIZE THERE IS CONSIDERABLE RISK INVOLVED.

5 B) AFTER MUCH PROBING AND STUDY COL OFFICE CONVINCED THAT LEE KUAN YEW SINCERE IN HIS DESIRE AVOID COMMUNIST TAKE OVER IN SINGAPORE BY GIVING SOME SATISFACTION TO LEFT-WING ELEMENTS, AND COL OFFICE APPARENTLY BELIEVES THIS MAYBE BEST TACTIC (MELVILLE TOLD EMBASSY OFFICER JANUARY 20 THAT IT MIGHT BE BETTER IN LONG RUN TO HAVE PAP RATHER THAN SPA LEAD FIRST GOVERNMENT UNDER NEW CONSTITUTION). BUT APPEAR EXPECT AND BE READY ABSORB CERTAIN AMOUNT OF "TAIL TWISTING" TO GIVE SATISFACTION TO PENT-UP ANTI-COLONIALIST FEELINGS.

3. THOUGHT OCCURS TO US IT WOULD BE BEST TACTIC FOR US IN CONSULTATION WITH BRITISH TO COMPARE OUR ESTIMATES SITUATION SINGAPORE AND OUR EVALUATION POINTS 1-7 PENULTIMATE PARAGRAPH REFTEL BUT ALSO SHOW WILLINGNESS SUPPORT BUT TACTICS IN DIFFICULT TRANSITION PERIOD WHICH LIES AHEAD IN SINGAPORE. WE MIGHT, FOR EXAMPLE, IN THESE CONSULTATIONS SEEK WAYS IN WHICH WE CAN ASSIST IN ENCOURAGING COOPERATION MODERATE ELEMENTS IN BOTH PAP AND SPA IN WAY WHICH WILL PREJUDICE POSITION OF NEITHER BRITISH NOR OURSELVES IN EVENT PAP VICTORY.

WE MIGHT ALSO IN GIVING SUPPORT TO BRITISH READ THEIR VIEWS SINGAPORE IN CONTEXT COURSE OF EVENTS IN RECENT YEARS IN INDONESIA, INDIA AND OTHER NEW COUNTRIES SOUTH AND SOUTHEAST ASIA WHERE

Eugene Melville, Assistant Under Secretary of State, Colonial Office.